

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)	
EAST DAVIESS COUNTY WATER)	CASE NO. 89-175
ASSOCIATION, INC.)	

O R D E R

On June 29, 1989, East Daviess County Water Association, Inc. ("East Daviess") filed its revised tariff with the Public Service Commission ("Commission") for the purpose of adjusting its rates pursuant to the purchased water adjustment procedure. KRS 278.012 and 807 KAR 5:068.

The Commission, having reviewed the evidence of record and being sufficiently advised, is of the opinion and finds that:

1. East Daviess purchases water from Southeast Daviess County Water District ("Southeast Daviess") and Owensboro Municipal Utilities ("OMU").
2. Southeast Daviess increased its rate for water sold to East Daviess from \$.763 to \$.869 per 1,000 gallons effective May 1, 1989.
3. OMU increased its rate for water sold to East Daviess from \$.653 to \$.751 per 1,000 gallons effective May 1, 1989.
4. East Daviess increased the rates to its customers effective July 1, 1989.

5. During the 12 months ending April 30, 1989, East Daviess purchased 26,929,000 gallons of water from Southeast Daviess and 157,935,900 gallons from OMU.

6. East Daviess sold 153,567,288 gallons of water during the same 12-month period.

7. East Daviess' calculations are incorrect in that it made an adjustment for unaccounted-for water loss which is not required for water associations under the purchased water adjustment procedure.

8. The correct increase in the cost of purchased water is \$18,763 resulting in a purchased water adjustment of \$.12 per 1,000 gallons.

9. The purchased water adjustment of \$.12 per 1,000 gallons and the rates in Appendix A are fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by East Daviess are denied.


2. The purchased water adjustment of \$.12 per 1,000 gallons of water and the rates in Appendix A, attached hereto and incorporated herein, are approved for services rendered on and after July 1, 1989.

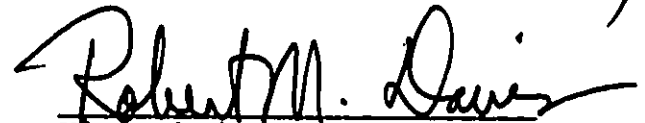
3. Within 30 days of the date of this Order, East Daviess shall file its revised tariff setting out the rates approved herein.

4. Within 30 days of the date of this Order, East Daviess shall file a copy of the notice to its customers and verification that such notice has been given.

Done at Frankfort, Kentucky, this 19th day of July, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 89-175 DATED 7/19/89

The following rates and charges are prescribed for the customers in the area served by East Daviess County Water Association, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Usage Blocks

Monthly Rates

5/8 x 3/4 Inch Meter

First 2,000 gallons	\$8.51 Minimum Bill
Next 4,000 gallons	2.38 per 1,000 gallons
Next 44,000 gallons	2.13 per 1,000 gallons
Over 50,000 gallons	1.73 per 1,000 gallons

3/4 Inch Meter

First 3,000 gallons	\$10.89 Minimum Bill
Next 3,000 gallons	2.38 per 1,000 gallons
Next 44,000 gallons	2.13 per 1,000 gallons
Over 50,000 gallons	1.73 per 1,000 gallons

1 Inch Meter

First 6,000 gallons	\$18.03 Minimum Bill
Next 44,000 gallons	2.13 per 1,000 gallons
Over 50,000 gallons	1.73 per 1,000 gallons

1 1/2 Inch Meter

First 10,000 gallons	\$26.55 Minimum Bill
Next 40,000 gallons	2.13 per 1,000 gallons
Over 50,000 gallons	1.73 per 1,000 gallons

2 Inch Meter

First 20,000 gallons	\$47.85 Minimum Bill
Next 30,000 gallons	2.13 per 1,000 gallons
Over 50,000 gallons	1.73 per 1,000 gallons

Rates for customers formerly served by Hancock County
Improvement Corporation.¹

<u>Usage Blocks</u>	<u>Monthly Rates</u>
First 2,000 gallons	\$19.74 Minimum
Next 2,000 gallons	9.12 per 1,000 gallons
Next 6,000 gallons	6.37 per 1,000 gallons
Over 10,000 gallons	2.72 per 1,000 gallons

¹ Case No. 89-135, The Application of Hancock County Public Improvement Corporation and Hancock County, Kentucky for Approval of an Agreement of Sale Providing for the Purchase by the East Daviess County Water Association, Inc. from Hancock County Public Improvement Corporation of the Corporation's Existing Waterworks Distribution System, dated June 30, 1989.